

CC: A. Guttenberg  
Boeing Realty Corporation  
4060 Lakewood Blvd., 6th Floor  
Long Beach, CA 90808-1700  
Telephone: (562) 627-3200  
FAX: (562) 627-3109

August 23, 1999  
BRC-SMS-384  
**Transmitted Via Federal Express**

Mr. Clint Bixler  
Senior Real Estate Representative  
Frito-Lay, Inc.  
7701 Legacy Drive, 4A-217  
Plano, Texas 75266-0634



**RE: Reimbursement for the Costs of Import  
Soils and Associated Expenses**

Dear Clint:

Enclosed you will find a schedule which summarizes the costs incurred by Boeing Realty Corporation ("BRC") to import the specialized soils required for Parcels 13 & 14 as set forth by the Purchase and Sale Agreement between our companies. The first enclosure is a summary of the actual costs incurred by BRC, i.e., laboratory, consultant and soil costs, titled Reimbursement Schedule. The attached supplemental materials validate the costs set forth in the Reimbursement Schedule.

Please contact me at (562) 627-3014 in the event you have any questions regarding the enclosures. We look forward to your prompt response to our reimbursement request.

Best Regards,

A handwritten signature in black ink, appearing to read "S. Mario Stavale".

S. Mario Stavale  
Senior Manager,  
Corporate Real Estate

Enclosures:Noted

**Frito-Lay, Inc.**  
**Lots 13 & 14**  
**Reimbursement Schedule**

<b>Cost Category</b>	<b>Item</b>	<b>Cost</b>	<b>Total Due to BRC</b>
<b>Laboratory Costs</b>	LAX	\$8,244.60	
	Garfield & Elm	\$8,379.00	
	Hollywood & Highland	\$20,349.00	
	Atlantic & Telegraph	\$2,394.00	
	10853 Wilshire Blvd.	\$9,323.00	
	Aroma & Sporox	\$2,786.00	
	Wilshire-Remington	\$7,795.00	
	<b>Total Laboratory Costs</b>	<b>\$59,270.60</b>	<b>\$59,270.60</b>
<b>Consultant Costs</b>	Invoice 0627-D	\$5,707.85	
	Invoice 0628-D	\$8,966.01	
	Invoice 0629-D	\$4,603.53	
	Invoice 0632-D	\$398.03	
	Invoice 0633-D	\$3,509.25	
	Invoice 0634-D	\$3,816.62	
	<b>Total Consultant Costs</b>	<b>\$27,001.29</b>	<b>\$27,001.29</b>
<b>Import Soil Cost Over BRC Base</b>	Wilshire	\$31,485.00	
	Hollywood & Highland	\$157,962.00	
	Hollywood & Highland	\$66,413.00	
	<b>Total Import Soil Costs</b>	<b>\$255,860.00</b>	<b>\$255,860.00</b>
<b>Total Due to BRC</b>			<b>\$342,131.89</b>

**FRITO-LAY, INC. REAL ESTATE DEPARTMENT**

Monday, October 18, 1999

Mr. Mario Stavale  
Senior Manager, Corporate Real Estate  
BOEING REALTY CORP.  
4060 Lakewood Blvd  
Long Beach, CA 90808-1700

RE: SOIL COST REIMBURSEMENT  
LOTS 13 & 14  
HARBOR GATEWAY CENTER  
LOS ANGELES, CA

Dear Mario:

Frito-Lay was surprised when it received Boeing's invoice dated 8/23/99 for soil cost reimbursement for the above project. Because the final costs varied so much from Boeing's original estimate of approximately \$250,000, Frito-Lay's environmental contractor was asked to review the invoices. The following are his comments to the reimbursement request:

**1) Laboratory Analytical Testing:**

In accordance with the contract between Frito-Lay (FL) and Boeing, FL is required to pay the "excess analytic costs for the testing frequency of the imported fill soil as specified in Schedule 1.6.3 to the extent such costs are in excess of a testing frequency of one sample per 10,000 cubic yards for native source soil and one sample per 5,000 cubic yards for non-native source soil". Therefore FL should pay for 50% of the amount requested by Boeing. With the exception of the Aroma & Sporox site. The reason being that PES (and I'm assuming FL) never reviewed the data from these samples. Additionally, the Orange Coast Analytical invoices indicate that 8015m, 8015 diesel and 8015 motor oil analyses are \$80.00 each. In accordance with Orange Coast Analytical price sheet the actual cost should be \$60.00 each. Boeing's total should be reduced by \$30.00 for each appropriate sample. Fifty-five (55) samples were analyzed for 8015 and the invoice should be reduced by  $55 \times \$30.00 = \$1,650.00$

Boeing Total: \$59,270.60

Revised Total: \$59,270.60 - \$2,786.00 (Aroma & Sporox) - \$1,650 =  
\$54,834.00/2 = \$27,417.00

**2) Consultant Costs:**

Per the contract FL is not required to pay for Boeing's consultant. Unless there is some other agreement in place it does not seem that payment of these charges is required.

Boeing Total: \$27,001.29

Revised Total: \$0.00

**3) Imports Soil Cost Over BRC Base:**

Boeing Total: \$256,860.00

Revised Total: \$255,860.00

Boeing Grand Total: \$342,131.89

Revised Grand Total: \$283,277.00

E-Mail Address: cfinlb.dixler@fritolay.com  
7701 Legacy Drive, 4A-217, Plano, TX 75024-4089  
P.O. Box 680634, MD 4A-247, Dallas, TX 75286-0634  
(972) 334-5150 or (972) 334-5175 fax

Mr. Mario Stavaie  
October 18, 1999

Jacki Silvergleit, in Frito-Lay's real estate department, is preparing and will forward a check in the amount of \$283,277.00 for payment to Boeing Realty. Payment will be sent within the next ten (10) days.

In addition, Alan Guttenberg recently told Karen Clark on two separate occasions that Frito-Lay had not submitted building plans for Boeing's review and approval. Since no Design Approval Committee had been formed as of April, 1999, Boeing instructed Frito-Lay to submit its plans to Greg Stewart at Tait and Associates. For Alan's information, Frito-Lay's contractor, Baymarr Construction, provided the following: !!!

- 4/14/99: Submitted preliminary site plan for approval
- 7/28/99: Submitted color rendering, site plan (Rev. G), and Landscaping plans (6/1/99) for review
- 8/9/99: Received feedback from Greg Stewart with comments and corrections
- 9/13/99: e-mail issued to Tait and Associates of Construction Site Plan
- 10/15/99: Confirmed with Greg Stewart that only remaining issues were:
  - 1) screen wall type at south side of property (awaiting Boeing's response)
  - 2) landscaping detail of fence/tilt wall interface (Baymarr finalizing for Boeing's review)

According to Greg Stewart, recommendation will be issued to Boeing for Frito-Lay's final approval pending clarification on the screen wall and landscaping detail issues. Should you have any questions, please call.

Best Regards,

FRITO-LAY, INC.

*Clint Bixler*

Clint Bixler  
Senior Real Estate Representative  
(972) 334-5150  
(972) 334-5175 fax

cc: Jacki Silvergleit, Frito-Lay, Inc.  
Kurt Geringer, Frito-Lay, Inc.  
Brad Horton, Omniplan via fax (214) 826-7016  
Kyle Flory, PES Environmental via fax (415) 899-1601  
Karen Clark, Gibson, Dunn & Crutcher via fax (949) 451-4220  
Alan Guttenberg, Guttenberg & Rapson via fax (415) 834-2070  
Mike Lessel, Lessel Realty, via fax (949) 443-0603

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